

## Message Text

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PAGE 01 KATHMA 00452 030938Z  
ACTION XMB-04

INFO OCT-01 NEA-10 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00  
DOTE-00 EB-08 INR-07 NSAE-00 CIEP-01 FAA-00 TRSE-00  
L-03 /036 W

-----030941Z 035687 /12

P R 030850Z FEB 77  
FM AMEMBASSY KATHMANDU  
TO SECSTATE WASHDC PRIORITY 7353  
INFO AMEMBASSY ROME

LIMITED OFFICIAL USE KATHMANDU 0452

ROME FOR RCAA

E.O. 11652 N/A  
TAGS: EFIN BEXP NP  
SUBJ: POSSIBLE EX-IM FINANCING FOR RNAC PURCHASE

1. THE LATEST DEVELOPMENT IN ROYAL NEPAL AIRLINES (RNAC) LABORIOUS TO THINK TOWARD ACQUIRING A SECOND JET IS A DECISION TO THINK SMALLER THAN A BOEING 707. AMONG THE RAMIFICATIONS OF THIS DECISION IS THE FACT THAT THE LOWER PRICE TAG MAKES IT LIKELY THAT THEY WILL PURCHASE OUTRIGHT RATHER THAN LEASE. THEY HAVE RECENTLY BEEN SHOPPING IN THE U.S. FOR A SECOND-HAND BOEING 727. EMBASSY HAS HAD BRIEF, INFORMAL DISCUSSIONS WITH RNAC MANAGEMENT ABOUT THE POSSIBILITY OF EX-IM BANK'S FINANCING FOR SUCH A PURCHASE. SECRETARY OF THE MINISTRY OF WORKS AND TRANSPORT AND CHAIRMAN OF RNAC NARYAN PRASAD ARYAL HAS JUST INFORMED EMBASSY THAT HE WILL BE LEAVING KATHMANDU DECEMBER 4. ARRIVING IN WASHINGTON ON ABOUT WEDNESDAY, FEBRUARY 9, AND WOULD LIKE TO CALL AT EX-IM TO EXPLORE POSSIBILITIES. IN REPLY TO HIS REQUEST FOR AN INDIVIDUAL TO CONTACT, EMBASSY HAS SUGGESTED THAT HE CALL STATE NEPAL DESK OFFICER DAVE TELLEN FOR REFERENCE TO THE APPROPRIATE INDIVIDUAL AT THE BANK.

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2. EMBASSY URGES MAXIMUM CONSIDERATION POSSIBLE TO ARYAL. RNAC SEEMS DESTINED TO CONTINUE TO EXPAND AS TOURISM GROWS AND THEY OPEN ADDITIONAL ROUTES. (FLIGHTS TO COLOMBO WITH THE EXISTING 727 ARE TO BEGIN IN MID-MARCH AND THE SECOND JET WILL INAUGURATE CHARTER SERVICE TO HONG KONG, PROSPECTIVELY BY THIS OCTOBER.) FACILITATING THIS CURRENT PROCUREMENT

WOULD BE AN IMPORTANT STEP IN CONSOLIDATING THEIR COMMITMENT  
TO U.S. MADE AIRCRAFT. RNAC IS IN BASICALLY SOUND FINANCIAL  
CONDITION. DESPITE THE FACT THAT THEIR DOMESTIC ROUTES ARE  
OPERATED AT OR BELOW ACTUAL COST, THEY EXPECT TO MAKE A  
PROFIT THIS YEAR OF AROUND 10 MILLION (\$800,000) DUE  
TO INTERNATIONAL OPERATIONS WITH THEIR 727.  
EAVES

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCE, PROCUREMENT, COMMERCIAL AIRCRAFT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 03-Feb-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977KATHMA00452  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770038-0959  
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**Line Count:** 69  
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**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Retention:** 0  
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**Review Event:**  
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**SAS ID:** 3420279  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POSSIBLE EX-IM FINANCING FOR RNAC PURCHASE  
**TAGS:** EFIN, BEXP, EAIR, NP, XMB  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009